

19 FEB 1986

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MEMORANDUM FOR: Director of Personnel

FROM:



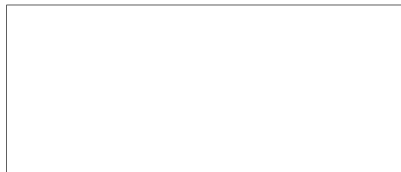
Deputy Director of Personnel for  
Employee Benefits and Services

SUBJECT: Administration of Retirement System

Bob,

1. At our meeting yesterday, I mentioned that [redacted] was recommending that you look at the legislative language prepared by [redacted] on administration of our retirement systems. Instead of using the Durenberger amendment as a starting point, Dan has used the OPM model. Attached herewith is Dan's proposal and the original OPM wording as well as the Durenberger amendment.

2. [redacted] and I are scheduled to meet with OPM this Friday afternoon. Subject to your approval, we would like to offer Dan's language as an alternative proposal. At the same time, we plan to discuss where the crunch points are on protection of Agency names not only for self-administration but also from the funding aspect.



Attachments:  
a/s

cc: DD/Pers  
C/RD

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November 7, 1985

## CONGRESSIONAL RECORD — SENATE

S 15045

The assistant legislative clerk read as follows:

The Senator from Minnesota (Mr. DURENBERGER) (for himself and Mr. HOLLINGS) proposes an amendment numbered 979 to amendment No. 978.

Mr. DURENBERGER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 14, immediately following line 1, insert the following:

ADMINISTRATION OF THE CIVIL SERVICE RETIREMENT AND DISABILITY SYSTEM FOR EMPLOYEES OF THE CENTRAL INTELLIGENCE AGENCY

SEC. 407. Section 8347 of title 5, United States Code, is amended by adding at the end thereof the following new subsection (n):

"(n)(1) Notwithstanding any other provision of this subchapter, the Director of Central Intelligence shall—

"(A) administer the provisions of this subchapter with respect to officers and employees of the Central Intelligence Agency; and

"(B) perform the functions and duties which would otherwise be performed with respect to such officers and employees by the Office of Personnel Management or the Director of such Office under this subchapter.

"(2) The Director of the Office of Personnel Management shall furnish such information and services to the Director of Central Intelligence as the Director of Central Intelligence determines necessary to carry out paragraph (1) of this subsection."

REPORT ON EXPANSION OF COVERAGE OF THE CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

SEC. 408. (a) The Director of Central Intelligence shall determine whether it would be appropriate to expand the coverage of the Central Intelligence Agency Retirement and Disability System to include any officers and employees of the Central Intelligence Agency who are subject to the Civil Service Retirement and Disability System under subchapter III of chapter 83 of title 5, United States Code.

(b) Not later than 1 year after the date of the enactment of this Act, the Director of Central Intelligence shall transmit to the Congress the Director's determinations under subsection (a) and any recommendations for legislation which the Director considers appropriate and relate to such determinations.

Mr. DURENBERGER. Mr. President, I rise on behalf of myself and my colleague, Senator HOLLINGS, to amend the amendment of the Senator from Missouri.

Let me say first that I do this in a spirit of improving an already excellent amendment. I do it also with a great deal of admiration and respect for anyone who has to occupy the position of chairing the Subcommittee on Civil Service, Post Office, and General Services. It is a subcommittee that handles issues that only a few people care about and that nobody ever sends thank-you notes about.

So on behalf of those of us who are on their subcommittee, I publicly compliment the Senator from Alaska and the Senator from Missouri for taking on a series of headaches that nobody

else would ever want to take on and for producing in the underlying bill here, today, an incredible piece of legislation. It may end up pleasing no one but it will be a testimonial, by that very fact, to their skill as legislators in this very difficult area.

Senator EAGLETON's amendment is important and must be passed. It covers two areas not included in the pending legislation—coverage of Central Intelligence Agency personnel under the new Civil Service Retirement System and inclusion of overseas agency personnel under the so-called special early retirement provisions for high risk occupations. But, unfortunately, the amendment does not go quite far enough to cover the unusual circumstances affecting CIA personnel.

As you are aware, the CIA has come under a great deal of public and congressional scrutiny in the past decade and certainly in the past week. Unfortunately, what you are not seeing or hearing are the thousands of actions they are doing right on a daily basis. In particular, we are consistently demanding that our intelligence officers abroad provide more and more information on hostile intentions, especially those of terrorists.

This involves risk. More and more of our CIA field personnel are being subjected to threats and abuse. Two years ago we witnessed an example of this when a number of them were killed by a terrorist bombing of the U.S. Embassy in Beirut. And as their assignment become more hazardous and demanding, the special mental and physical requirements necessary of the intelligence officer increase dramatically.

To meet this standard the CIA must continually replace its officers overseas with younger personnel whose identities are not known and who can stand up to the stresses of their environment. To do this the CIA currently allows these officers to retire at age 50. The Director of Central Intelligence can demand that they retire at age 55.

Yet making these demands on our CIA personnel forces them out at an age where job opportunities are limited. In addition, their skills are unique and we vigorously discourage them from revealing or marketing their expertise in new careers. That is why we must be careful not to send a false message—that their Government demands the risk, but is unwilling to pay the price. If we are not going to pay these people what they deserve up front, then we must provide for them at the end.

I am pleased to say, Mr. President, that there is nearly unanimous agreement on this point and that the pending amendment will continue the early retirement program for our overseas intelligence officers. But there are two modifications necessary if we are to truly insure the security, integrity, and effectiveness of the Central Intelligence Agency's retirement system.

First, this amendment provides for full self administration by the CIA of its retirement and disability programs. This is critical if the Agency is to maintain confidentiality for its employees who are serving or will serve—literally a life and death need in this time of international terrorism. Under current law, only overseas personnel records are strictly maintained in-house by the Agency. In the Eagleton amendment, this is expanded to cover future nonoverseas employees. But a critical gap continues for the thousands of current nonoverseas personnel whose records are maintained by OPM and other nonsecure agencies around Washington.

Second, the amendment requires the Director of Central Intelligence to study the current CIA Retirement Program and determine what changes and expansions are appropriate. It has been 20 years since such a major review has been done and it is clear to this Senator that modifications are necessary.

In our discussions with the Government Affairs Committee and the CIA, we have concluded that it may be necessary to expand the current CIA Retirement and Disability Program to meet special needs. Is this also the understanding of the Senator from Missouri?

Mr. EAGLETON. Yes, it is.

Mr. DURENBERGER. We also believe that it is important that we conduct such a review of the CIA Retirement and Disability System and make appropriate changes within the next year. Does the Senator also believe this is correct?

Mr. EAGLETON. Yes, I do.

Mr. DURENBERGER. I thank the Senator.

Mr. President, I had also intended to propose that we prevent the deterioration of pension benefits for future overseas and cover personnel. Currently, the average CIA officer will retire with a pension that will replace 47 percent of this preretirement salary.

Under the pending legislation, this same employee will retire with only a 41-percent-replacement rate. But by slightly adjusting the pension accrual rate from 1 percent to 1.3 percent, this slip in benefits could be avoided. That is what I think should be done but in the interest of seeing this legislation enacted quickly, I will not make that proposal today. But I do expect the DCI to review this in the context of his study.

Our intelligence officers face hazards unknown to other overseas or law enforcement personnel. They and their families must lead their lives undercover, never telling friends and acquaintances of their true mission and responsibilities. In a world filled with terrorism, their very safety and lives are at stake if their cover is revealed. Most of these officers also work two jobs—their cover employment and their agency duties. And, finally, the